

Message Text

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FM AMEMBASSY OSLO

TO SECSTATE WASHDC 7575

INFO AMEMBASSY COPENHAGEN

AMEMBASSY HELSINKI

AMEMBASSY STOCKHOLM

AMEMBASSY REYKJAVIK

USMISSION EC BRUSSELS

USMISSION NATO

C O N F I D E N T I A L SECTION 1 OF 2 OSLO 4694

EO 11652: GDS

TAGS: PINT ELAB NO

SUBJECT: NORWAY'S LABOR GOVERNMENT APPROACHES NEW YEAR WITH
RENEWED CONFIDENCE

REFS: (A) OSLO 4534 (B) OSLO A-257 (C) OSLO A-256 (D) OSLO 3873

BEGIN SUMMARY. PRIME MINISTER BRATTELI AND HIS MINORITY LABOR
PARTY GOVERNMENT EMERGED UNSCATHED AND APPARENTLY STRENGTHENED
FROM THE FALL PARLIAMENTARY SESSION. THE BRATTELI BUDGET PASSED
VIRTUALLY UNCHANGED, THOUGH NOT WITHOUT AN UNUSUALLY ACRID EX-
CHANGE BETWEEN THE GOVERNING LABOR PARTY AND THE FAR LEFT SOCIALIST
ELECTORAL LEAGUE (SV), WHICH HAS PROVIDED MOST OF LABOR'S PAR-
LIAMENTARY SUPPORT. THE SHARPNESS OF SV'S ATTACK PROBABLY REFLECTED
FRUSTRATION AT BEING UNABLE TO GET LABOR TO ALTER ITS BUDGETARY
PROGRAM IN THE SLIGHTEST TO ACCOMODATE SV'S MAJOR DEMAND FOR SIZE-
ABLE REDUCTIONS IN FOOD TAXES. LABOR'S SEDATE DEBATE WITH THE
OTHER PARTIES FOCUSED ON MEETING THE OIL CRISIS. OUTSIDE THE
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STORTING (PARLIAMENT), SV SCORED ITS ONE MAJOR SUCCESS THUS FAR

IN ITS CAMPAIGN TO CAPTURE THE TRADE UNION MOVEMENT FROM THE LABOR PARTY: NORWAY'S LARGEST LOCAL UNION VOTED TO END ITS COLLECTIVE MEMBERSHIP IN THE LABOR PARTY. AFTER THE STORTING RECESSED, BRATTELI EXPRESSED SATISFACTION THAT SO MUCH OF LABOR'S PROGRAM HAD BEEN ENACTED, REITERATED HIS DETERMINATION TO RETAIN HIS PARTY'S AND GOVERNMENT'S FREEDOM OF ACTION AND NOT BE PRESSURED OFF COURSE, TOOK A SWIPE AT SV BY EMPHASIZING HIS CONCERN WITH POLITICAL "REALITIES" RATHER THAN POLITICAL "BICKERING", AND SAID HIS GOVERNMENT WOULD NOT CONCENTRATE ON MEASURES TO MEET THE OIL PROBLEM. THE GOVERNMENT'S CHANCES FOR SURVIVAL FOR THE NEXT FOUR YEARS HAVE BEEN ENHANCED, THOUGH LABOR STILL FACES AN UPHILL STRUGGLE IN TRYING TO BRING APOSTATE VOTERS BACK TO THE FOLD.
END SUMMARY

1. SV'S THREAT TO OVERTURN THE BRATTELI GOVERNMENT FIZZLED DURING THE BUDGET VOTE ON DECEMBER 18, THE LAST DAY OF THE STORTING'S FALL SESSION. LABOR OUTMANEUVERED SV ON THE ISSUE OF FOOD SUBSIDIES AND FOOD TAX "COMPENSATION", MEASURES AIMED AT REDUCING CONSUMER FOOD PRICES (SEE REF B), BY SEPARATING THE PARTS OF THE PACKAGE SO THAT VARYING CONSTELLATIONS OF THE "BOURGEOIS" PARTIES VOTED FOR THE LABOR PROPOSAL ONCE THEIR OWN PROPOSALS WERE VOTED DOWN. AT SV'S REQUEST, ITS PROPOSALS WERE PRESENTED AS A PACKAGE, AND SOUNDLY DEFEATED. AS A PROTEST GESTURE, SV THEN VOTED AGAINST EACH ITEM IN THE LABOR PARTY PACKAGE, INCLUDING THE ITEMS IT FAVORED, BUT THE VOTES WERE NOT NEEDED FOR THEIR PASSAGE. IN THE DEBATE PRECEDING THE VOTING, SV LEADER FINN GUSTAVSEN, COMMUNIST REIDAR LARSEN AND OTHER SV STORTINGSMEN VENTED THEIR FRUSTRATION BY SCORNFULLY ATTACKING LABOR FOR PASSING ITS PROPOSALS WITH CONSERVATIVE SUPPORT, FAILING TO AVAIL ITSELF OF THE EXISTENCE OF A SOCIALIST MAJORITY TO ENACT A REALLY "SOCIALIST" PROGRAM, AND CHEATING THE CONSUMER BY PASSING OFF A HALFHEARTED SLEIGHT-OF-HAND AS A REAL PRICE-REDUCING MEASURE. IN MENACING TONES, THE SV SPOKESMEN PREDICTED THAT THE GOVERNMENT WOULD NOT LAST LONG AND--REFERRING TO RECENT TRADE UNION VICTORY (DISCUSSED BELOW)--THAT SV WOULD WREST LEADERSHIP OF THE NATION'S TRADE UNIONS FROM THE LABOR PARTY IN THE NEAR FUTURE. LABOR SPOKESMEN, INCLUDING SOME OF THE MORE RADICAL YOUNG STORTINGSMEN, COUNTER-ATTACKED WITH SCATHING SARCASM. THE SESSION WENT BEYOND THE BOUNDS OF TRADITIONAL RESTRAINED NORWEGIAN PARLIAMENTARY DECORUM, ESPECIALLY WHEN GUSTAVSEN SAID HE WOULD REFER TO SOME OF THE LABOR STATEMENTS AS LIES,
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IF ONLY THE RULES WOULD PERMIT HIM TO DO SO (FOR WHICH HE WAS CALLED TO ORDER AT SOME LENGTH BY THE STORTING PRESIDENT).

2. IN CONTRAST TO ITS STORTING DEFEAT ON THE FOOD TAX ISSUE AND THE FAILURE OF ITS EARLIER ATTEMPT TO MOUNT A NATIONWIDE WAVE OF ANTI-FOOD-TAX STRIKES (REF B), SV DID SCORE ONE MAJOR TRIUMPH IN ITS DRIVE TO OUST THE LABOR PARTY FROM CONTROL OF THE LABOR MOVEMENT. ON DECEMBER 11, THE OSLO LOCAL OF THE IRON AND METAL WORKERS'

UNION VOTED TO END ITS COLLECTIVE MEMBERSHIP FOR 10,000 OF ITS MEMBERS IN THE OSLO LABOR PARTY. WITH 18,000 MEMBERS, OSLO IRON AND METAL IS THE LARGEST LOCAL UNION IN NORWAY, AS WELL AS IN NORWAY'S LARGEST UNION, AND ITS PRESIDENT, RAGNAR KALHEIM IS SV'S PRINCIPAL FIGURE IN THE TRADE UNION MOVEMENT. KALHEIM AND SV CAMPAIGNED HARD, AND THE RESULTS REPRESENT A SIGNIFICANT VICTORY FOR THEM, ALTHOUGH OTHER CONSIDERATIONS DID ENTER IN. (THE BOURGEOIS PARTIES AND PRESS HAVE LONG CAMPAIGNED AGAINST TRADE UNION COLLECTIVE MEMBERSHIP IN THE LABOR PARTY ON THE GROUNDS THAT IT IS "UNDEMOCRATIC" AND LABOR PARTY OPINION IS DEVIDED AS TO ITS VALUE.) THE VOTE WAS 60 PERCENT AGAINST VERSUS 40 PERCENT FOR CONTINUED COLLECTIVE MEMBERSHIP AND TURNOUT WAS SOMEWHAT LIGHT (50-60 PERCENT).

3. MOST LABOR PARTY MEMBERSHIP IS IN FACT INDIVIDUAL, ESPECIALLY OUTSIDE OF OSLO, BUT COLLECTIVE MEMBERSHIP HAS, SINCE THE PARTY'S BIRTH, BEEN AN IMPORTANT LINK IN BINDING THE PARTY AND TRADE UNION MOVEMENT TOGETHER AND GIVING THE WORKERS A DECISIVE VOICE IN PARTY COUNCILS. BY LOSING OSLO IRON AND METAL, THE LABOR PARTY LOST 20 PERCENT OF ITS COLLECTIVE MEMBERSHIP IN OSLO AND MORE THAN 10 PERCENT NATIONWIDE. THIS MAY ALSO SET A PATTERN FOR TWO SIMILAR ELECTIONS SCHEDULED NEXT YEAR. THE LABOR PARTY IS NOW BEGINNING A DRIVE TO RECRUIT INDIVIDUAL MEMBERS IN OSLO IRON AND METAL. SIMILAR DRIVES, IN OTHER LOCALS WHICH REVOKED THEIR COLLECTIVE MEMBERSHIP IN THE PAST, HAVE REPORTEDLY BEEN SUCCESSFUL, AND THIS ONE MAY BE TOO. HOWEVER, MANY LABOR PARTY PEOPLE FEEL THAT OSLO IRON AND METAL'S DEFECTION MAY SIGNAL THE BEGINNING OF THE END OF COLLECTIVE MEMBERSHIP AND THUS A WEAKENING OF THE TIES BINDING PARTY AND TRADE UNIONS TOGETHER IN ONE COHESIVE LABOR MOVEMENT, A MOVEMENT WHICH HAS GENERALLY DOMINATED THE NORWEGIAN POLITICAL AND SOCIAL SYSTEM SINCE BEFORE WORLD WAR II.

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R 271329Z DEC 73
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C O N F I D E N T I A L SECTION 2 OF 2 OSLO 4694

4. IN A PRESS CONFERENCE DECEMBER 19, PRIME MINISTER BRATTELI EXPRESSED SATISFACTION WITH THE FALL STORTING SESSION AND ITS ACHIEVEMENTS IN IMPLEMENTING THE LABOR PARTY PROGRAM (E.G., FOOD TAX "COMPENSATION" AND THE SHIFT OF MORE OF THE DIRECT TAX BURDEN FROM MIDDLE-INCOME WORKERS TO THE WEALTHY). HE OBSERVED THAT OTHER POLITICAL GROUPS WOULD LIKE TO PRESSURE LABOR INTO TIES WHICH WOULD REDUCE ITS FREEDOM OF ACTION, BUT THAT THEY WOULD CONTINUE TO BE UNSUCCESSFUL. HE AND LABOR WERE INTERESTED IN POLITICAL "REALITIES," NOT POLITICAL "BICKERING," AND SUCH EFFORTS COULD NOT REPEAL THE "POLITICAL LAW OF GRAVITY" (A REFERENCE, PRESUMABLY, TO THE FACT THAT LABOR HAS 62 SEATS, SV 16). LABOR WOULD CONTINUE TO ANALYZE THE SITUATION COOLLY, BRATTELI SAID, AND NOT BE STIRRED UP BY HEATED DEBATE.

5. THE ENERGY CRISIS PROMISES TO BE THE MAJOR FOCUS OF POLITICAL ATTENTION AFTER THE HOLIDAYS. THE GRAVITY OF THE GROWING OIL SHORTAGE RECEIVED CONSIDERABLE EMPHASIS IN THE CLOSING STORTING DEBATE, WITH LABOR SPOKESMEN STRESSING THE IMPORTANCE OF AVOIDING UNEMPLOYMENT.
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EMPLOYMENT AND CONSUMER PRICE INFLATION. CRITICIZED BY CONSERVATIVE AND OTHER "BOURGEOIS" SPOKESMEN FOR NOT CHANGING ITS BUDGET IN VIEW OF THIS CRISIS, LABOR SAID THE SITUATION WAS NOT YET CLEAR ENOUGH TO DETERMINE PRECISELY WHAT SHOULD BE DONE. THE GOVERNMENT DID ADD A NEW CONTINGENCY FUND OF NKR 200 MILLION (NEARLY DOLS 36 MILLION) TO THE BUDGET TO MEET EMPLOYMENT AND PRICE PROBLEMS ARISING FROM THE OIL CRISIS, SUGGESTING THAT THIS WOULD BE USED NEXT SPRING (PRESUMABLY ALSO IN SUCH A WAY AS TO INFLUENCE THE SPRING WAGE NEGOTIATIONS - REF C). DRIVING HAS BEEN FORBIDDEN DURING THE LAST TWO WEEKENDS AND GAS RATIONING WILL BEGIN AFTER THE CHRISTMAS HOLIDAYS, BUT THE OPPOSITION ON THE RIGHT SUGGESTED MORE DECISIVE ACTION SHOULD HAVE BEEN TAKEN EARLIER. THE OIL SHORTAGE AS A THREAT TO EMPLOYMENT HAS NOW ALSO BECOME THE PRINCIPLE CONCERN OF THE TRADE UNION FEDERATION (LO), WHICH DISCUSSED THE PROBLEM WITH THE GOVERNMENT JUST BEFORE THE CHRISTMAS HOLIDAYS. AMONG OTHER THINGS, LO IS NOW ASKING FOR A BAN ON NEW IMMIGRANT LABOR.

6. COMMENT: BRATTELI'S SKILL IN BRING HIS MINORITY GOVERNMENT THROUGH ITS FIRST TEST HAS SHOWN THAT HIS CONFIDENCE WAS JUSTIFIED WHEN HE OBSERVED TO THE AMBASSADOR (REF A) THAT SV, NOT LABOR, WAS IN DIFFICULTY ON THE FOOD TAX ISSUE; THAT LABOR, UNLIKE SV, KNEW WHERE IT WAS GOING AND HOW; AND THAT THE BUDGET WOULD BE PASSED EASILY, WITHOUT CONCESSIONS TO THE LEFT. THE LABOR PARTY'S ONLY SIGNIFICANT GESTURE TO THE LEFT THUS FAR HAS BEEN ITS DECISION TO DISASSOCIATE ITSELF FROM THE NOBEL PRIZE COMMITTEE'S SELECTION OF SECRETARY KISSINGER AND LE DUC THO FOR THE NOBEL PEACE PRIZE (REF D). THAT DECISION WAS AN INITIATIVE OF LEFT-LEANING PARTY VICE CHAIRMAN REIULF STEEN WHICH MAY HAVE CAUGHT BRATTELI BY SURPRISE, THOUGH BRATTELI MADE NO MOVE TO COUNTER OR REVERSE THE DECISION. THE CALM, RETICENT BRATTELI SEEMS MORE FIRMLY ENSCONCED IN POWER NOW THAN WHEN HE TOOK OFFICE TWO-AND-A-HALF MONTHS AGO. HIS GOVERNMENT IS STILL PRECARIOUSLY DEPENDENT ON VOTES FROM EITHER LEFT OR RIGHT ON EACH ISSUE, BUT ITS CHANCES OF SURVIVING FOR FOUR YEARS WITHOUT HAVING TO ENTER A COALITION WITH EITHER RIGHT OR LEFT OR TO DEVIATE SUBSTANTIALLY FROM THE PARTY PROGRAM ARE SOMEWHAT ENHANCED. MAJOR QUESTIONS FOR THE FUTURE ARE WHETHER OR NOT THE LABOR PARTY CAN STEM OR REVERSE THE FLOW OF VOTERS AWAY FROM LABOR AND--PERHAPS EVEN MORE IMPORTANT--WHETHER IT CAN PREVENT SV FROM FURTHER WEAKENING LABOR'S POSITION IN THE TRADE UNION MOVEMENT. BYRNE
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